



In a monumental decision, the Supreme Court delivered a long awaited ruling on four contested issues in the Patient Protection and Affordable Care Act (PPACA). These four issues included: whether the Anti-Injunction Act precludes the Court from considering challenges to PPACA's monetary sanctions, for failure to purchase a minimum level of health insurance, prior to their implementation; whether the individual mandate exceeds Congress' power; if the mandate were found to be unconstitutional, would the law be severable; and, did the vast expansion of Medicaid violate states' rights. On June 28, 2012 the Supreme Court voted 5-4 to uphold the law in large part. In a majority opinion read by Chief Justice John Roberts with Justices Ruth Bader Ginsburg, Stephen Breyer, Sonia Sotomayor and Elena Kagan the Court upheld the major provisions of the law. In addition, although the Court found the expansion of the Medicaid provision to be Constitutional, they struck down as unconstitutional the related provision that allowed the federal government to withhold funding from states for their traditional Medicaid program that chose not to implement the expansion under the PPACA. In a strongly worded dissenting opinion, Justices Kennedy, Antonin Scalia, Clarence Thomas and Samuel Alito concurred that not only was the mandate unconstitutional, the whole law should have been struck down due to the "exceed[ing] federal power both in mandating the purchase of health insurance and in denying nonconsenting states all Medicaid funding."

Anti-Injunction Act

Chief Justice Roberts explained in his majority decision that delaying a decision due to the Anti-Injunction Act was not considered in this case. He also indicated since the government did not intend the mandate to be considered a tax, it would make it inapplicable in this situation. In reference to Congress never referring to the penalty due to noncompliance as a tax he contends, "Congress did not intend the payment to be treated as a "tax" for the purposes of Anti-Injunction... That label cannot control whether the payment is a tax for purposes of the Constitution, but it does determine the application of the Anti-Injunction Act.

Individual Mandate

In a 5-4 vote, the Court ruled that the individual mandate was constitutional, not under the Commerce Clause, but under Congress' power to tax. The Court relied upon a constitutional analysis to determine the shared responsibility payment as a tax on individuals who choose to go without health insurance. Chief Justice Roberts also acknowledged there was not sufficient evidence to uphold it under the Commerce Clause or the Necessary and Proper Clause because, "the power to regulate commerce presupposes the existence of commercial activity to be regulated."

Severability Clause

Since the individual mandate was upheld, severability was not an issue. Both the majority and concurring decision arrived at this point. However, the Justices who penned the dissent argued the whole law should have fallen since a portion of the Medicaid decision was found to be unconstitutional.

Medicaid

In a split decision, the Court upheld the expansion of Medicaid as constitutional; however, it also decided the Secretary of the Department of Health and Human Services (HHS) may not revoke existing Medicaid funding for states that decline to participate in the expansion. The PPACA transformed Medicaid into a program that covers the needs of all citizens under 138% of the federal poverty level (\$14,500 for an individual and \$29,700 for a family of four in 2011) into a program where income was the only factor as opposed to previous participants who had to meet both income and categorical (i.e. pregnant woman or child) eligibility. According to Chief Justice Roberts, this expansion and departure from the traditional program – essentially deeming the expansion a new program - exceeds what any state might have anticipated. States may choose not to participate - leaving them ineligible to receive federal funds under the expansion - without fear of losing funding for their entire Medicaid program.